

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X		
UNITED TORAH EDUCATION	)	
& SCHOLARSHIP FUND, INC.,	)	
	)	
Plaintiff,	)	<b>13 CIV 3619 (RJS)</b>
-against-	)	
	)	<b>DECLARATION OF</b>
SOLOMON CAPITAL LLC, et al	)	<b>MICHAEL CARIDI</b>
	)	
Defendants.	)	
-----X		

I, **MICHAEL CARIDI**, hereby declare, pursuant to 28 U.S.C. 1746, under penalties of perjury as follows:

1. I am the Managing Director of Seahawk Capital Partners, an investment capital firm that specializes in packaging promising start-up companies for investment capital purposes.

2. I met Solomon Sharbat ('Sharbat'), one of the defendants in the above captioned action, in or about early 2007. Almost immediately thereafter, Sharbat expressed an interest in participating in many of the deals I was assembling. Although Sharbat did not participate in every deal I discussed with him, he had extensive involvement in the following deals prior to the end of 2009: Danny Devito Film Fund, Limoncello, Paw Spa, Inc. and PerfGo Green Inc. (PGOG). I was the Chairman of the Board of PGOG, and I was largely responsible for his participation in that deal which earned him a substantial sum of money. To the best of my recollection, any contracts signed or stock certificates issued in connection with these deals was done through Solomon Capital LLC. During all this time, Sharbat conducted business in New York City.

3. In the mid to latter part of 2009, I learned from Sharbat himself, and confirmed through various industry sources, that Sharbat was heavily involved with a company known as Sponge Tech. I learned that through that deal, Sharbat also became involved with Marcus Butler

and Michael Hartstein. The SEC suspended trading in Spongetech stock on Oct. 5, 2009, due to questions about the accuracy of the company's press releases and SEC filings. *See Ex. A.* It then became public knowledge in the securities industry that the SEC and U.S. Attorney were involved in an intense investigation of Sponge Tech's stock trading activities and that arrests were expected to follow shortly. Ultimately, as reported in the media, in May 2010, the two principals of Sponge Tech Inc., Retter and Moskowitz, and a number of other individuals were arrested and indicted for major stock fraud. *See Ex. B.*

4. When I called Sharbat to find out what was going on, I was surprised to learn from him that he had already left to Israel several months before the arrests, almost boasting as to his prowess in avoiding any charges or questioning. He told me that he was not afraid of getting indicted but rather of being held and interrogated as a material witness, and forced to tell what he knows. At the time, the purpose of Sharbat's sudden disappearance to Israel was not only common knowledge in industry circles, but Sharbat himself has admitted that fact to me multiple times over the phone. He specifically stated to me that he can't wait to come back to New York, which he expects to do, as soon as his SEC lawyers advise him it was safe to do so, when all pending investigations are closed.

5. I vividly recall him sending me an e-mail on April 5, 2013, with copy of a newspaper article entitled "FBI: 7 Arrested in "Pump and Dump" Penny Stocks Scheme" and then discussing the article with me over the phone. Sharbat explained that these arrests justified his hiding out in Israel until the "coast was clear" as well as his extreme caution in coming back to N.Y. until the Sponge Tech affair was dead and buried. *See Ex. C* hereto.

6. To the best of my recollection, since about the beginning of 2010, I continued to introduce and discuss with Sharbat to the following New York deals: Regenecin, World Series of

Golf,Element 21, RaduGym, Southern States Sign Company (“SOST”),Amarantus Biosciences Inc. (“AMBS”). *See* e-mails between Sharbat and I annexed as **Ex.D** hereto.

There was absolutely no difference in my uninterrupted business dealing with Sharbat, prior and after, his departure to Israel: his business life through Solomon Capital LLC and Solomon Capital 401 K Trust, the two entity shells he frequently used, remained exactly the same, with the phone and internet replacing same plus lunch or dinner meetings. By way of example, *see* fully executed Southern State Sign Company Shareholder and Escrow Agreement dated November 22, 2011 between SOST and Solomon Capital 401 K Trust and two annexed modifications, annexed hereto as **Ex. E**.

Declarant declares under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: New York, NY  
December 2, 2013

  
**MICHAEL CARIDI**